Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

ROUTING			
TO:	NAME AND ADDRESS	DATE	INITIALS
1	AR		
2			
3			
4			

	ACTION		DIRECT REPLY		PREPARE REPLY
	APPROVAL		DISPATCH		RECOMMENDATION
	COMMENT		FILE		RETURN
	CONCURRENCE		INFORMATION		SIGNATURE

REMARKS:

FROM: NAME, ADDRESS, AND PHONE NO.	DATE

Top Secret

(Security Classification)

CONTROL NO. [ ] 25X1

25X1

[redacted]

Access to this document will be restricted to
those approved for the following specific activities:

NATIONAL INTELLIGENCE DAILY CABLE

Wednesday August 24, 1977 CG NIDC 77-197C

[redacted] 25X1

NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

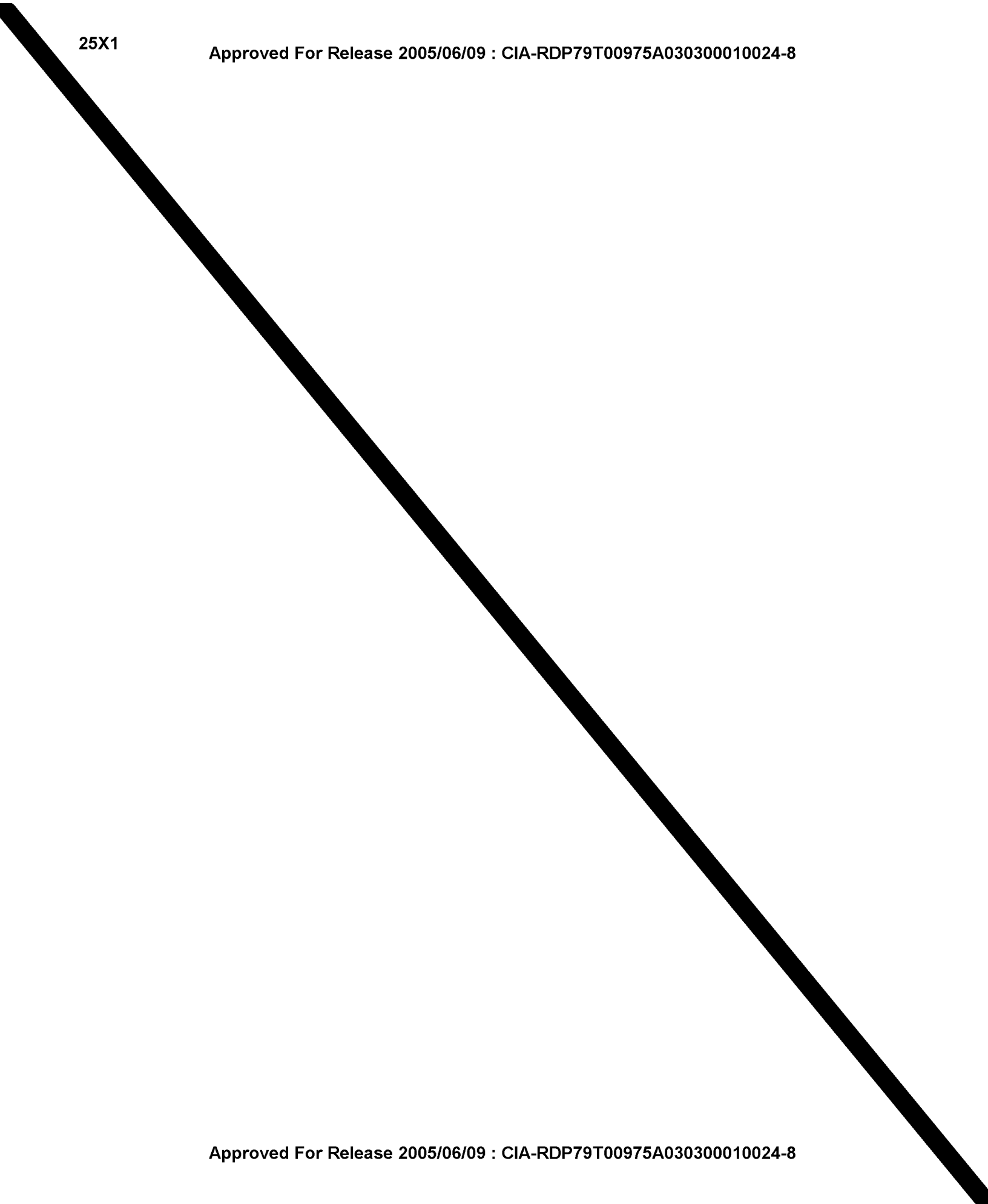
Top Secret 25X1

(Security Classification)

Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

25X1

Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8



Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

25X1

25X1

National Intelligence Daily Cable for Wednesday, August 24, 1977.

25X1

The NID Cable is for the purpose of informing senior US officials.

CONTENTS

ETHIOPIA-SOMALIA: Mengistu Speech Page 1

25X1

CHINA: Yeh Chien-ying's Speech Page 5

SRI LANKA: Violence Subsides Page 6

SOUTH AFRICA: Proposed Changes Page 6

25X1

BRAZIL: Technology Transfer Policy Page 9

NORTH KOREA: Changed UN Policy Page 10

BRIEFS: Page 11

25X1

25X1

Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

ETHIOPIA-SOMALIA: Mengistu Speech

Chairman Mengistu in an address to the nation Saturday called for a general mobilization of the Ethiopian masses to meet the military threat from Somalia.

Mengistu was more specific than usual in outlining the extent of Ethiopia's losses and appealed to the Ethiopians' traditional hostility to foreign encroachment. He observed that Ethiopia's defensive weapon is its peoples' courage, unity, and fighting spirit, and argued that the benefits they had received from the revolution have given them a greater stake in defending their country than ever before.

Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

25X1

[redacted]

25X1

[redacted]

25X1 [redacted] Mengistu did not spell out what he meant by mobilization. The first militia callup last April and May placed over 100,000 men in the field. Under a second callup, groups of workers from industrial and other establishments continue to report to Tatek Meda training camp near Addis Ababa every day. Whether the mobilization will take on even greater dimensions is questionable, given Ethiopia's limited capacity to absorb new recruits.

25X1

[redacted]

Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

25X1

[redacted]

25X1

Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

Next 1 Page(s) In Document Exempt

Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

25X1

CHINA: Yeh Chien-ying's Speech

25X1 *In his report to China's 11th Party Congress, Vice Chairman Yeh Chien-ying heartily endorsed Chairman Hua Kuo-feng's succession to Mao Tse-tung and stressed the key theme of the Congress, the need for greater party discipline.*

25X1 Yeh, who spoke on the new party constitution, said all the things Hua could not say in his own address. Yeh stressed Mao's personal role in tapping Hua as his successor. He praised Hua's qualifications for the party leadership, extolled his role in the purge of the Politburo leftists last fall, and called him the man who would lead China "triumphantly into the 21st century." 25X1

25X1 Yeh devoted most of his speech to a discussion of party discipline. He echoed Hua's earlier call to end factionalism, to promote tolerance of dissenting views, and to obey orders. Yeh redefined Mao's call to "go against the tide"--a slogan used by the left to attack moderate party officials and policies--and made it applicable to the struggle against factionalism.

25X1 The new party constitution contains several changes designed to tighten discipline and to make it more difficult to twist membership regulations for factional interests. Procedures for dismissing party members, for example, now require layers of review, undoubtedly to protect people from arbitrarily losing their party memberships as was probably the case when the leftists held sway.

25X1 The new constitution also requires a Committee on Discipline in each party unit to monitor the behavior of members, and specifically tasks the Military Commission, the watchdog over the military, with overseeing discipline in party units in the army.

25X1

Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

25X1 [redacted] As in the past, the constitution makes no specific provision for succession to the post of party chairman. [redacted] 25X1

[redacted] 25X1

SRI LANKA: Violence Subsides

25X1 [redacted] *Communal violence in Sri Lanka appears to have abated following the government's imposition of island-wide curfews and use of the armed forces to support the police in ending the clashes that erupted last week.*

25X1 [redacted] Scattered minor incidents continued Tuesday, but no major fighting between Sri Lanka's largest ethnic minority--the Tamils--and the majority Sinhalese has taken place since the weekend. Some 35 persons reportedly have been killed and as many as 15,000 Tamils have fled to refugee camps. According to press reports, Prime Minister Jayewardene has agreed to evacuate Tamil refugees from Sinhalese-dominated areas to predominantly Tamil areas in the northern part of the island.

25X1 [redacted] The government's failure to protect the Tamils, as well as possible police involvement in some attacks on them, may strengthen the hand of militant Tamil leaders who are demanding a separate state. Moderate Tamil leaders could find themselves increasingly at odds with both the militants and the government, which rejects the concept of two states on the
25X1 island. [redacted]

SOUTH AFRICA: Proposed Changes

25X1 [redacted] *The South African government may alter its structure to provide coloreds--people of mixed race--and Asians with at least the illusion of control over their own affairs and some voice in policy decisions that affect them. The proposed plans are complex and heavily weighted in favor of whites. No political concessions are being considered for blacks.*

25X1 [redacted] The government's proposals, under study for more than a year and apparently not yet complete, have recently been discussed by Prime Minister Vorster in private meetings with leading members of the ruling National Party and with representatives of the colored and Asian communities. Sonny Leon, a

25X1

25X1 Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

colored leader who is usually a bitter critic of any government proposal, has expressed cautious optimism and the thought that the briefing of colored and Asian leaders by Vorster was in itself a step forward.

25X1 White opposition leaders including Helen Suzman, the long-time opposition leader in parliament, have expressed disapproval of the plan because it does not include blacks.

25X1 The proposed changes are also being discussed at the annual National Party provincial congresses meeting throughout South Africa this month. Yesterday in Cape Town, the first of the four party congresses supported Vorster's plan. Conservative Afrikaners, however, can be expected to hold out for as many restrictions as possible in order to keep substantive control in white hands.

25X1 The present all-white parliament functions as a rubber stamp for the National Party leaders, and that pattern is sure to continue in any new form of government the National Party votes into existence.

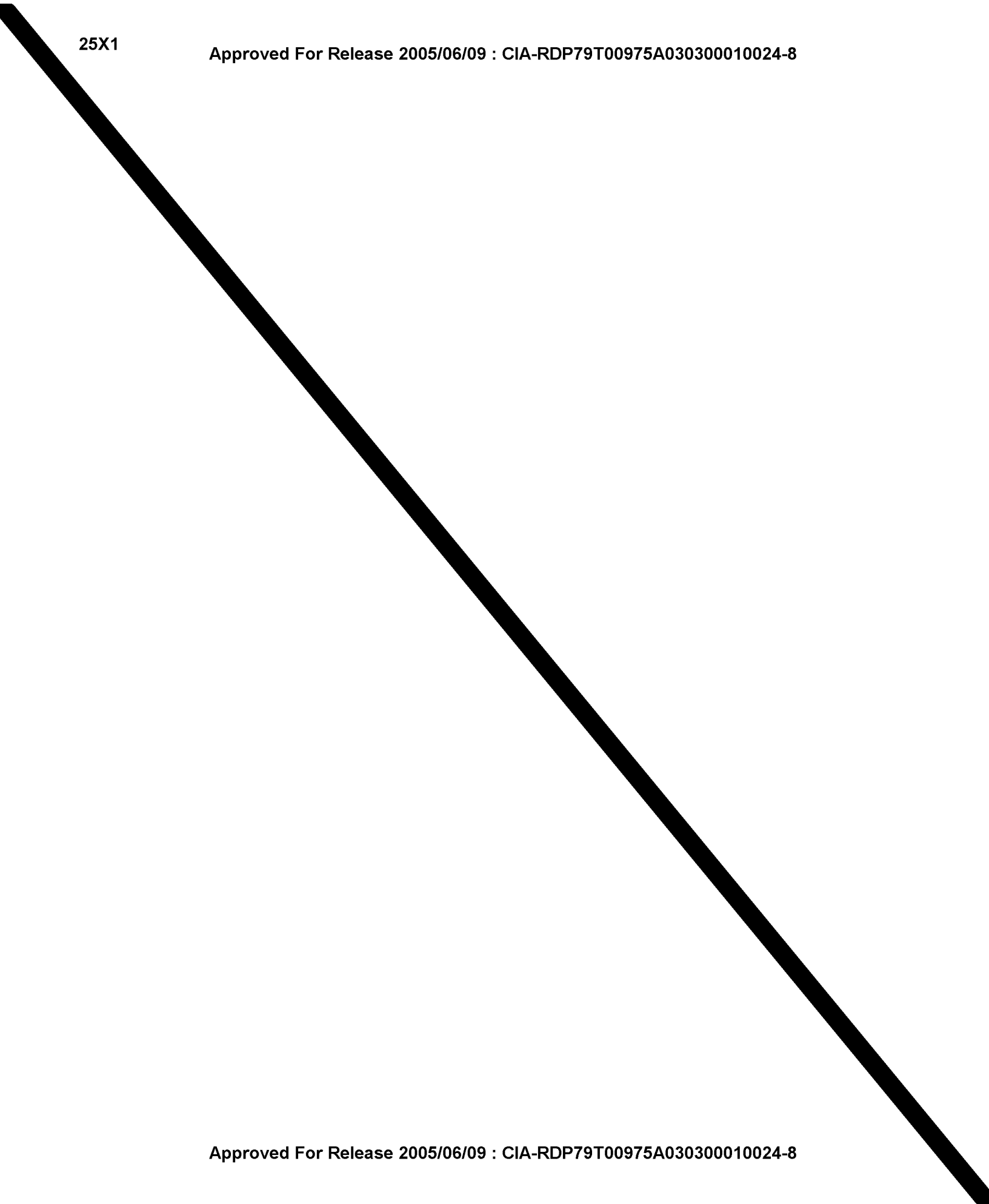
25X1

25X1

25X1 Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

25X1

Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8



Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

25X1

BRAZIL: Technology Transfer Policy

25X1 *The government of Brazil has recently announced its willingness to accept bids from foreign minicomputer manufacturers to establish two joint ventures in Brazil. This is a departure from Brazil's recent technology policy, which has sought to exclude foreign competition for Brazil's infant computer industry. It may also indicate a relaxation of Brazil's strict technology transfer law. Such relaxation is necessary if Brazil expects to receive bids from qualified owners of technology.*

25X1 The Brazilian decision is directly related to IBM's plans to establish major production facilities for its System 32 small business computers at its wholly owned subsidiary in Sao Paulo. Brazil has delayed approval of IBM's plans. The IBM operation would provide jobs and much-needed exports for Brazil as well as use a large percentage of Brazilian-made components, but the Brazilians fear it would further strengthen IBM's already dominant market position in Brazil. Since IBM would be too strong a competitor for Brazil's fledgling minicomputer industry, the government was faced with the choice of strengthening its own industry through other foreign technology or trying to force concessions from IBM.

25X1 The decision to invite foreign firms to participate may be ineffective unless Brazil is willing to modify its technology transfer law. Legislation passed in September 1975 requires that any technology purchased by Brazil will be effectively transferred to the Brazilian buyer at the end of five years. Such a transfer would include all evolutionary improvements made in the technology by the original seller and would further give the Brazilian buyer the right to manufacture and export to other markets. Thus the original seller could be creating his own competition.

25X1 In negotiations earlier this year, Brazilian officials indicated some flexibility in applying this law, perhaps even to the point of exempting certain kinds of technology. Unless Brazil modifies its policies, it is unlikely that any competent foreign manufacturer will enter into joint ventures with Brazil.

25X1 //While the invitation to bid could be an opportunity for all foreign manufacturers, US companies--because

Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

25X1

of political difficulties between the two governments over nuclear proliferation, human rights, and trade--may not receive equal treatment with other foreign competition. In fact, American firms may be frozen out of this potentially lucrative market to the benefit of Japanese and West German manufacturers.//

25X1 //Brazilian efforts to minimize foreign participation in its computer market have been associated with the government's desire to strengthen and protect the Brazilian manufacturer of small computers--Cobra. This company produces the small Ferranti Argus 700 minicomputer and signed a technology transfer agreement earlier this year with a small US firm to produce a business computer competitive with the IBM System 32. Brazilian opposition to foreign participation in the computer industry has emphasized minicomputers, but the Brazilian definition of a minicomputer has been sufficiently general to include small business systems such as the System 32.// 25X1 25X1

NORTH KOREA: Changed UN Policy

25X1 *//North Korea has abandoned, at least temporarily, its campaign to discredit South Korea and the US in the UN General Assembly.* 25X1

25X1

25X1 //For the first time in several years, North Korea has failed to mount a major lobbying effort around the world in support of a UN resolution attacking South Korea and the US. Prior to the General Assembly session last year, North Korea lobbied hard for such a resolution, but withdrew the document at the last moment.//

25X1 //The decision appeared to result from North Korea's realization that backing for its positions had waned and that it might lose ground in a new vote. The North's image has suffered as a result of the Panmunjom incident last year and North Korean involvement in drug trafficking. Some erosion of support for Pyongyang was already evident at the nonaligned conference at Colombo last August.//

Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

25X1

25X1 [redacted] //North Korea's interest in avoiding a confrontation this year probably was reinforced by US plans to reduce ground forces in South Korea. The demand for US withdrawals had long been a central feature of pro-North Korean resolutions.//

25X1 [redacted] //The North Koreans will still remind UN members of the General Assembly resolution, passed with militant, nonaligned backing in 1975, that calls for the withdrawal of all foreign forces under the UN flag. Pyongyang is also likely to insist that the gradual and partial force reductions announced by the US do not meet the requirements of that resolution.//

25X1 [redacted]

Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

25X1

Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

25X1

Angola-Cuba:

25X1 [redacted] //Angolan President Neto arrived in Cuba yesterday. He was accompanied by Raul Castro, Cuba's armed forces minister and the number-two man in the Cuban hierarchy, who was returning from a trip to the USSR, East Germany, Algeria, and Angola. Neto's stay in Cuba may be brief; he is expected to attend a meeting of the African front-line presidents with UK Foreign Secretary Owen and US Ambassador Young in Zambia later this week.//

25X1 [redacted] //Neto and the Cuban leaders may assess the progress of the offensive against insurgents in Cabinda and other parts of Angola. Neto's purported interest in developing a more nonaligned foreign policy may also be discussed. [redacted]

25X1

25X1

Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

25X1

Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8

Approved For Release 2005/06/09 : CIA-RDP79T00975A030300010024-8